

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:)	
)	
THE FINANCIAL OVERSIGHT AND	)	PROMESA
MANAGEMENT BOARD FOR PUERTO RICO,	)	Title III
)	
as representative of)	
)	
THE COMMONWEALTH OF PUERTO RICO, <i>et al.</i>,	)	No. 17 BK 3283-LTS
	)	(Jointly Administered)
Debtors.)	
In re:)	
)	
THE FINANCIAL OVERSIGHT AND	)	PROMESA
MANAGEMENT BOARD FOR PUERTO RICO,	)	Title III
)	
as representative of)	
)	
THE COMMONWEALTH OF PUERTO RICO,	)	No. 17 BK 3283-LTS
)	
PUERTO RICO HIGHWAYS &	)	No. 17 BK 3567-LTS
TRANSPORTATION AUTHORITY,	)	(This Filing Relates to
	)	These Debtors Only)
Debtor.)	
PEAJE INVESTMENTS LLC,)	
)	
Plaintiff,	)	Adv. Proc. No. 17-151-LTS
	)	in 17 BK 3567-LTS
-against-)	
)	
PUERTO RICO HIGHWAYS &	)	Adv. Proc. No. 17-152-LTS
TRANSPORTATION AUTHORITY, <i>et al.</i>,	)	in 17 BK 3283-LTS
)	
Defendants.)	

**RESPONSE OF PEAJE INVESTMENTS LLC TO GO GROUP PLAINTIFFS’
INFORMATIVE MOTION REGARDING COORDINATION OF
BRIEFING AND DISCOVERY IN RELATED CASES**

Peaje Investments LLC (“Peaje”), the Plaintiff in the above-captioned adversary proceedings (together, the “Peaje Proceeding”), hereby responds to the GO Group Plaintiffs’ Informative Motion Regarding Coordination of Briefing and Discovery in Related Cases (*see*

Adv. Proc. No. 17-189, [Dkt. No. 86]) (the “Motion”), filed in the adversary proceeding captioned *ACP Master, Ltd. v. Commonwealth of Puerto Rico*, Adv. Proc. No. 17-189 (the “GO Group Proceeding”).¹ In the Motion, the GO Group Plaintiffs argue that “it would be appropriate to extend to the GO Group Proceeding the Court’s July 7, 2017 Scheduling Order providing that ‘[t]he Court intends to coordinate discovery and the briefing of motion practice’” in *Assured Guaranty Corp. v. Commonwealth of Puerto Rico*, Adv. Proc. Nos. 17-155 and 17-156 (the “Assured Proceeding”), *Ambac Assurance Corp. v. Commonwealth of Puerto Rico*, Adv. Proc. No. 17-159 (the “Ambac Proceeding,” and together with the Assured Proceeding, the “Insurer Proceedings”), and the Peaje Proceeding. Specifically, the GO Group Plaintiffs contend that the GO Group Proceeding should be coordinated with the Insurer Proceedings because all three matters “involve common issues of fact and law” related to the Commonwealth of Puerto Rico’s (the “Commonwealth”) unlawful diversion of certain taxes and fees (the “Clawback Revenues”) that are pledged to pay obligations of Commonwealth instrumentalities, including the Puerto Rico Highways & Transportation Authority (“PRHTA”).

Unlike the GO Group Plaintiffs and the plaintiffs in the Insurer Proceedings, Peaje has not asserted any claim related to the Clawback Revenues.² Rather, as the GO Group Plaintiffs expressly acknowledge, “the Peaje Proceeding focuses only on the PRHTA’s diversion of toll revenues pledged to PRHTA bondholders, which are not available resources subject to clawback

¹ On July 11, 2017, the Court entered an Order setting a deadline of July 19, 2017 for the parties in the Peaje Proceeding and certain other adversary proceedings to respond to the Motion (*see* Adv. Proc. No. 17-151-LTS [Dkt. No. 88] and Adv. Proc. No. 17-152-LTS [Dkt. No. 80]).

² Peaje did however, reserve its right to ensure the proper application and use of that additional collateral. Verified Complaint at 3 n. 1 (Adv. Proc. No. 17-151-LTS [Dkt. No. 1] and Adv. Proc. No. 17-152-LTS [Dkt. No. 1]).

for the payment of the Commonwealth's Constitutional Debt.” Motion at 8 n.6. Given that Peaje's claims relate to a completely different stream of revenues than the GO Group Plaintiffs' claims, the GO Group Plaintiffs unsurprisingly do not contend that there are any benefits to coordination with the Peaje Proceeding. Rather, they argue only that the Peaje Proceeding “should not be any barrier” to coordinating with the Insurer Proceedings. *Id.*

Because the GO Group Plaintiffs' Motion is not directed at Peaje, but instead to the parties to the Insurer Proceedings, Peaje takes no position whether or not common issues of fact or law exist in the GO Group Proceeding and the Insurer Proceedings related to the Clawback Revenues, or whether or not coordination would further, or hinder, complicate, and delay, the resolution of those matters.³ Peaje does, however, oppose the GO Group Plaintiffs' request to coordinate discovery and briefing across all four adversary proceedings to the extent that it would unreasonably delay the resolution of Peaje's claims to redress the unlawful and continuing diversion of toll revenues by the PRHTA, the Commonwealth, and their officials. Peaje chose to file a targeted complaint directed solely at the toll revenues, and it should not be burdened with any delay attributable to disputes regarding Clawback Revenues not at issue in its case.

Peaje also opposes the request to the extent it would require Peaje to produce documents and testimony to the Plaintiffs in the GO Group Proceeding. In the Peaje Proceeding, Peaje has produced materials that contain confidential and proprietary information regarding Peaje's investments and investment strategy. Such information would not be relevant to the issues in the GO Proceeding. Moreover, certain Plaintiffs in the GO Proceedings are direct competitors of

³ To be clear, Peaje opposes consolidation of the Peaje Proceeding with the GO Group Proceeding.

Peaje and there is a substantial risk of competitive harm to Peaje if they are required to share discovery with the Plaintiffs in the GO Group Proceeding.

RESPECTFULLY SUBMITTED, this 19 day of July, 2017.

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